

**Business Incentives & Location Summary**  
**Request for local support of Ford (KTP)**

**Corporate Information:** Ford Motor Company  
One American Road  
Dearborn, MI 48126

**Council District: 17**

**Category: RETENTION**

**Metro Location:** 3001 Chamberlain Lane, Louisville, KY 40241

**Web Site:** [www.ford.com](http://www.ford.com)

**Business/Project Description:** Anticipated funding from the Kentucky Jobs Retention Act will support a "Platform Efficiency Project" to enhance the Kentucky Truck Plant's manufacturing flexibility and process reliability to ensure that any potential vehicle program or derivative under consideration could be integrated into KTP at globally competitive efficiency standards. The project involves equipment and facility upgrades and modernization actions that will support improved efficiency standards and increase the plant's competitiveness. The investments will focus on technology upgrades at key work stations in the body shop, paint shop, and final assembly areas. In addition, the purchase of new machinery and equipment would be more focused on flexible manufacturing to pre-position for future product derivatives that require more flexible manufacturing processes. The project also includes engineering costs necessary to implement the modernization actions. The costs include engineering support on the testing and installation of the equipment. The investment would commence during the second quarter of 2007 and conclude by second quarter of 2010, at the latest.

Ford Motor Company is at a critical junction in its 100+ year history. Ford has recognized the need to make a drastic and necessary changes to its operations and product plans if it is to survive. Plants that continue to receive investments to enhance flexible manufacturing needs are well-positioned to secure future successful product programs and are less likely to be idled in the near future. This KJRA investment would help secure Ford's current operations at KTP. If KTP were to close, the impact on the local economy would be significant. Not only would the 5,000+ direct employees be impacted, but also supplier jobs and many indirect jobs that depend on the health and vitality of this plant. In addition, KTP makes purchases of tens of millions of dollars every year from Kentucky suppliers which would be lost. By making investment at KTP at this critical time, Ford is signaling its commitment to maintaining its strong partnership with the Commonwealth of Kentucky.

**Company cover letter attached?** ☒ Yes - See "Ford Supplement" ☐ No

**Primary Incentive requested:** ☒ OTHER(s) KJRA

**Local Participation:** The recommended local participation level is **1% of retained wages**.

**KEDFA Proceedings:**

**Preliminary Approval Date:**

**June 28, 2007**

**Final Approval Date:**

December 13, 2007

**Activation Date:**

TBD

**Projected Investment and Employment:**

Existing Employment: **4137**

Total Square Footage: n/a

Jobs to be **retained** at activation: **3%** attrition acceptable

New Investment: **\$200,000,000**

**\*\*Average F/T Salary: \$83,598\***

Current Payroll: **\$345,844,926**

*\*Lowest Hourly Wage is \$19.31 or \$40,165 annually; 344 people in this employment segment.*

*\*\*per original application*

**Business Incentives & Location Summary**  
**Request for local support of Ford (KTP)**

Ford Motor Company projects that employment totals will decrease to 3,406 by 2012 which represents current existing employment less 3% annual attrition.

**Potential Incentive Benefit Amount:**

**Transferred Credits:** \$36,000,000

**KJRA Credits on Approved Cost:** \$24,000,000 (12% of the project)

**Total Incentive:** **\$60,000,000 (66% of the project)**

**Employee Maintenance:** 3% attrition each year until year 5 where base will level off (as set forth in application)

**Conditions:** If the Company fails to invest the \$200,000,000 within three years of final, CED may require payment of entire \$36,000,000. If the Company closes KTP anytime after activation, but prior to the 10 year term end, CED may collect percentage of \$36,000,000 based on percentage of total term. (If close in year 5 then 50% repaid for with penalties.) If the Company fails to meet employment requirement and remains in suspension for more than one year, CED may require repayment based on percentage of total term. However, this repayment penalty (job compliance only) will expire upon completion of any supplemental project with a total investment of \$300,000,000 or more.

**Local Annual Economic Impact at Activation (year one):**

	<b>Direct Impact</b> (spin-off)	<b>Total Impact</b>
Projected tax revenues	\$5,128,751	\$21,730,709
<b>*Local KJRA benefits</b>	\$3,458,449	\$3,458,449
<b>Net benefit to community</b> (Local new taxes, less incentives)	\$6,170,302	\$18,272,260

**What form of announcement is the client expecting? TBD**

**Other contacts:** Same as above

**Staff Comments:** GLI recommended local support of the *KJRA* application for the Ford Kentucky Truck Plant and the Ford Louisville Assembly Plant due to the retention 4,377 total jobs, with total payroll of \$345,844,926 averaging \$83,598 and an approximate investment of \$200,000,000 in the community.